



Arizona Medical Board

9545 East Doubletree Ranch Road • Scottsdale, Arizona 85258

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FINAL MINUTES FOR SPECIAL TELECONFERENCE MEETING

Held at 12:00 Noon on August 27, 2004

9545 E. Doubletree Ranch Road • Scottsdale, Arizona

Board Members

Edward J. Schwager, M.D., Chair
Sharon B. Megdal, Ph.D., Vice Chair
Robert P. Goldfarb, M.D., Secretary
Patrick N. Connell, M.D.
Ingrid E. Haas, M.D.
Tim B. Hunter, M.D.
Becky Jordan
Ram R. Krishna, M.D.
Douglas D. Lee, M.D.
William R. Martin III, M.D.
Dona Pardo, Ph.D., R.N.
Chris Wertheim

Board Counsel

Christine Cassetta, Assistant Attorney General

Staff

Barry A. Cassidy, Ph.D., P.A.-C, Executive Director
Barbara Kane, Assistant Director
Beatriz Garcia Stamps, M.D., M.B.A., Board Medical Director
Tricia Steffey, Board Coordinator
Susan Ahn, Legal Coordinator

CALL TO ORDER

Edward J. Schwager, M.D., Chair, called the meeting to order at 12:06 p.m.

ROLL CALL

The following Board Members were present: Edward J. Schwager, M.D., Sharon B. Megdal, Ph.D., Robert P. Goldfarb, M.D., Tim B. Hunter, M.D., Becky Jordan, Ram R. Krishna, M.D., William R. Martin, III, M.D., Chris Wertheim. The following Board Members were absent: Patrick N. Connell, M.D., Ingrid E. Haas, M.D., Douglas D. Lee, M.D., Dona Pardo, Ph.D., R.N.

CALL TO THE PUBLIC

There was no-one present for the Call to the Public.

NON-TIME SPECIFIC ITEMS

Fiscal Year 2006-2007 Budgets

Randi Orchard, Chief Financial Officer, reviewed the budget with the Board. The budget proposal has been presented to the Board Members, as it will be submitted to the Governor's Office. Ms. Orchard stated that a correction was made to the budget on August 26, 2004, and a memo was provided to the Board Members informing them of this change. The correction is regarding Drs. Sucher and Greenberg's request for an increase in contract. The request was modified to reflect an 8.5% increase for 2006. Ms. Orchard stated that the total budget request for fiscal year (FY) 2006 is \$5,172,900 and for fiscal year 2007 is \$5,207,600.

NON-TIME SPECIFIC ITEMS (Continued) - Fiscal Year 2006-2007 Budgets

Ms. Orchard clarified for Robert P. Goldfarb, M.D., that Drs. Sucher and Greenberg's contract was originally signed in 2002 and was renewed in 2003. Also, that Drs. Sucher and Greenberg only receive funds from the Board through this contract. Sharon B. Megdal, Ph.D., suggested that the term 'renewed' be changed to 're-awarded'. Dr. Megdal stated that she had brought it to the attention of Board Staff. Ms. Cassetta noted that Staff had received that suggestion, but she had thought the wording grammatically incorrect and had inserted "renewed". Ms. Cassetta noted that because she was unfamiliar with the budget process and State contracts she did not realize that re-awarded was the correct term. Dr. Megdal noted that Drs. Sucher and Greenberg had made a request that was not consistent with state contracting and was processed by Board Staff. Therefore, she has general concerns with the integrity of the budget and the budget process. Dr. Goldfarb asked for the number of increased patients that Drs. Sucher and Greenberg are seeing now as opposed to the number of patients seen in 2003. Ms. Orchard informed the Board Members that number is not currently available, however Dr. Sucher had noted in his request that there has been a significant increase in professional liability, insurance premiums, office overhead, patient census and time requirements for administrative hearings and investigative interviews.

Edward J. Schwager, M.D., expressed concern that the funding for the Arizona Office of Administrative Hearings (OAH) is decreasing, while the numbers of complaints are increasing rapidly. Ms. Orchard clarified for Tim B. Hunter, M.D., that the OAH budget request is based on the recommendation from Cliff J. Vanell, Director of Arizona Office of Administrative Hearings, and that this estimate does not include the cost of sending cases to outside law firms, which has increased. Dr. Schwager stated that although the budget for outside law firms has increased, it should not affect the number of cases that go to OAH and is not consistent to have an increasing budget for legal services and a decreasing budget for OAH, unless a justification can be made. Christine Cassetta, Board Counsel, pointed out that Mr. Vanell's recommendation states "these estimates can be used as a projection of costs for FY 2006 and FY 2007 for budget purposes, assuming no increase in cases over FY 2004 levels."

Ms. Orchard clarified for Dr. Megdal that there is a request in the budget to fund an additional attorney for cases to be handled through the Attorney General's Office, rather than funding outside legal counsel. Ram R. Krishna, M.D., stated that funds should not be spent on outside legal counsel if the cases can be handled in-house.

MOTION: William R. Martin, III, M.D., moved to approve the fiscal year 2006-2007 budget as presented.

SECONDED: Ram R. Krishna, M.D.

VOTE: 7-yay, 0-nay, 1-abstain/recuse, 4-absent

MOTION PASSED.

FY 2004 – 2007 Strategic Plan

Randi Orchard, Chief Financial Officer, reviewed the Strategic Plan with the Board. Ms. Orchard had submitted a memo to the Board Members explaining the methodology of how these numbers were calculated. Edward J. Schwager, M.D., stated that the total number of open, unresolved cases is growing at 30 percent per year, which may be viewed as unacceptable.

Ms. Orchard explained that the purpose of a strategic plan is to provide estimates that will help a business foresee any detrimental issues that may occur in the future. The planning process is to review the strategic plan in house, develop business strategies, and align resources to prevent any such detrimental issues. The Strategic Plan template that is provided to the Governor's Office is designed to show actual numbers from previous years and projections for future years. Barry A. Cassidy, Ph.D., P.A.-C, Executive Director, stated that although this Strategic Plan is provided to the Governor's Office based on their template, it is not the administrative plan that he uses to figure out how to allocate resources. However, it is the plan that the government uses to allocate funds.

MOTION: Ram R. Krishna, M.D., moved to approve the FY 2004 – 2007 Strategic Plan.

SECONDED: Tim B. Hunter, M.D.

VOTE: 8-yay, 0-nay, 0-abstain/recuse, 4-absent

MOTION PASSED.

Opening a Docket for Office Based Surgery Rules

Christine Cassetta, Board Counsel, stated that this is the first time the Board has been asked to put Rules out to the public without seeing them in advance and approving them. She also noted that the draft rules that Staff intends to meet with stakeholders and review were drafted in December and she had not seen them until the Board's lobbyist informed her sometime last week that a draft existed. Ms. Cassetta also noted that the draft was incomplete – for instance, the definition section contained no definitions for the words listed. Ms. Jordan asked who had prepared the draft rules. Ms. Cassetta noted that Tina Wilcox had drafted them in December. Ms. Cassetta suggested that the board not take action on this item at this time.

NON-TIME SPECIFIC ITEMS (Continued) - Opening a Docket for Office Based Surgery Rules

MOTION: Ram R. Krishna, M.D., moved to table this item.

SECONDED: William R. Martin, III, M.D.

VOTE: 8-yay, 0-nay, 0-abstain/recuse, 4-absent

MOTION PASSED.

Meeting adjourned at 12:40 p.m.

[seal]

Barry A. Cassidy, Ph.D., P.A.-C, Executive Director